

NCA
VOC FOR IOP/FN
NEWS ANALYSIS NO. 1-0520
CHARLES MEDD

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THE TRUCKING AGREEMENT -- BETTER THAN EXPECTED

ANNCR:

AMERICAN TRUCK DRIVERS ARE BACK TO WORK FOLLOWING THE YEAR'S FIRST MAJOR SHOWDOWN BETWEEN LABOR AND MANAGEMENT. AS CHARLES MEDD POINTS OUT, THE RESULTS WERE A LOT LESS PAINFUL THAN EXPECTED.

VOICE:

BACK IN JANUARY, WHEN THE POWERFUL TEAMSTERS UNION AND THE AMERICAN TRUCKING INDUSTRY BEGAN NEGOTIATING A NEW THREE-YEAR CONTRACT, JUST ABOUT EVERYONE WAS PREPARED FOR THE WORST. SOME FEARED A LONG AND CRIPPLING STRIKE BY THE FOUR HUNDRED THOUSAND DRIVERS WHO CARRY MORE THAN HALF THE NATION'S MANUFACTURED GOODS AND A LARGE SHARE OF ITS FOOD PRODUCTS. OTHERS FEARED AN EXPENSIVE WAGE SETTLEMENT THAT WOULD SET THE TONE FOR CONTRACT DEMANDS IN OTHER INDUSTRIES, AND THUS LEAD TO MORE INFLATION. AND THERE WERE THOSE WHO SAW BOTH A STRIKE AND A COSTLY AGREEMENT.

AS THINGS TURNED OUT, THERE WAS A STRIKE, BUT A BRIEF AND COMPARATIVELY PAINLESS ONE. AND JUST HOW INFLATIONARY THE EVENTUAL SETTLEMENT WAS IS THE SUBJECT OF SOME DEBATE. THOSE WHO WERE MOST WORRIED ABOUT THAT PROBLEM, HOWEVER, ARE BREATHING A COLLECTIVE SIGH OF RELIEF.

AT FIRST GLANCE, THE NEW TRUCKING AGREEMENT SEEMS VERY MUCH ON THE EXPENSIVE SIDE. OVER THE NEXT THREE YEARS, HOURLY WAGES WILL RISE FROM THEIR PRESENT LEVEL OF JUST OVER SEVEN DOLLARS TO NEARLY NINE DOLLARS. ALONG WITH IMPROVED HEALTH AND PENSION BENEFITS, THE UNION ALSO WON ITS DEMANDS FOR AIR-CONDITIONED TRUCK COMPARTMENTS AND INDIVIDUAL HOTEL ACCOMODATIONS FOR LONG-DISTANCE DRIVERS.

THE TOTAL COST IN TERMS OF WAGES AND BENEFITS IS ESTIMATED AT BETWEEN NINE AND TEN PER CENT FOR EACH YEAR OF THE THREE-YEAR AGREEMENT, A LEVEL THAT WHITE HOUSE ECONOMISTS SAY IS HIGHER THAN THEY WANTED, BUT NOT AS HIGH AS EXPECTED. WHAT WORRIES THEM IS A NEW CONTRACT CLAUSE CALLING FOR AUTOMATIC AND UNLIMITED WAGE INCREASES EACH TIME THE OFFICIAL COST-OF-LIVING INDEX GOES UP. A SUDDEN JUMP IN THE PRESENT INFLATION RATE OF SIX PER CENT WOULD MEAN THE TEAMSTERS CONTRACT WILL RISE BEYOND CURRENT EXPECTATIONS AND BECOME AN INFLATIONARY FACTOR IN ITSELF.

BUT FOR THE MOMENT, THOSE MOST DEEPLY INVOLVED IN ECONOMIC MATTERS ARE COUNTING THEIR BLESSINGS. WITH NEGOTIATIONS NOW UNDER WAY IN THE BIG RUBBER INDUSTRY, AND MORE TO FOLLOW ELSEWHERE LATER IN THE YEAR, A PATTERN FOR PEACEFUL LABOR TALKS HAS BEEN ESTABLISHED. WHETHER IT WILL BE FOLLOWED OR NOT IS OF COURSE ANOTHER MATTER, WHICH IS WHY THOSE RELIEVED BY THE TRUCKING AGREEMENT ARE KEEPING THEIR FINGERS CROSSED.

GH/RCS